

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1532

IN THE MATTER OF:

Served April 5, 1976

Application of BLUE LINES, INC.,)
to Abandon Montgomery Village)
Regular Route Operation)

Application No. 913

Docket No. 311

By Application No. 910, dated February 10, 1976, Blue Lines, Inc., seeks authority to abandon its Montgomery Village regular route operation pursuant to Title II, Article XII, Section 4(i) of the Compact. Blue Lines Certificate of Public Convenience and Necessity No. 10 authorizes, inter alia, the transportation of passengers and their baggage, and express and newspapers, in the same vehicle with passengers, over a regular route therein delineated between points in Washington, D. C., and Montgomery County, Maryland.

Pursuant to Order No. 1505, served February 19, 1976, the Commission held a public hearing on March 15, 1976, with respect to Blue Lines abandonment application. No formal protests were filed. The Compact, Title II, Article XII, Section 4(i) mandates that the Commission, after hearing, find that the abandonment would be consistent with the public interest prior to authorizing the abandonment. This finding cannot be based solely upon the fact that a carrier is operating a route or furnishing a service at a loss as long as the carrier earns a reasonable return.

Blue Lines has operated the Montgomery Village regular route operation since 1972. The operation stemmed from Blue Lines service between Brunswick, Maryland, and Washington, D. C. People living in Montgomery Village would board the Brunswick bus at the intersection of Routes 28 and 124. As a result, the Brunswick bus became overcrowded. Blue Lines filed an application with the Commission and, by Order No. 1185, served December 3, 1971, was granted the authority which it now seeks to abandon.

The operation initially required one bus. However, it has expanded to its present requirement of three buses to satisfy the transportation needs of approximately 125 regular passengers. Blue Lines provides the service daily except Saturdays, Sundays, and holidays. The operation currently consists of three scheduled trips in the morning and three in the late afternoon. Each of the trips includes a stop at the National Institutes of Health in Bethesda, Maryland.

Blue Lines currently operates eight vehicles. Four of these vehicles are designated to perform the Montgomery Village regular route operation. Blue Lines employs five full-time drivers and eight part-time drivers. The buses are maintained at Blue Lines facility. However, this facility has capacity to service only one vehicle at a time. As a result, Blue Lines has contracted with others to perform the maintenance upon several occasions.

The daily operating schedule for Blue Lines includes the Montgomery Village regular route operation, charter operations, and sightseeing operations. Blue Lines usually schedules its vehicles to commence sightseeing service upon completion of the morning Montgomery Village operation. In addition, the vehicles could be used for the performance of charter services.

With respect to the Montgomery Village regular route operation, Blue Lines has received complaints concerning its service. These complaints include reference to equipment breakdowns and lack of proper heating and air conditioning. The equipment breakdowns caused Blue Lines to perform service late or in leased equipment. Such breakdowns have occurred as frequently as three times per week. The failure of heating or air conditioning equipment has resulted in discomfort for the passengers. Blue Lines also has experienced difficulties with broken doors and windows on certain leased vehicles used to perform the Montgomery Village regular route operation. In addition, there have been persons who have had to stand for a part or the entire trip. Blue Lines usually has standees on the first trip in the evening. There also has been overcrowding of a vehicle when passengers on another Blue Lines vehicle have been transferred because the other vehicle had a mechanical failure enroute. As a result, Blue Lines has not provided adequate service on the Montgomery Village regular route operation and the Commission so finds.

Blue Lines submitted data reflecting the revenue and revenue deductions for the Montgomery Village regular route operation. Blue Lines currently sells a weekly ticket for \$12 and a one-way fare ticket for \$1.45. During the calendar year 1975, Blue Lines received \$59,913.47 from persons purchasing tickets. Blue Lines also stated that its cost to provide the service was approximately \$400 per day. This cost was divided between drivers' expense of \$72.90 (six drivers at \$4.10 per hour with a minimum of three hours) and other operating expenses of \$324 (\$.90 per mile for 360 miles). During the calendar year 1975, Blue Lines estimates that the Montgomery Village regular route operation involved costs (except insurance) in the amount of \$77,950.20. For the calendar year 1975, Blue Lines lost (without considering insurance) \$18,036.73 on the Montgomery Village regular route operation.

Blue Lines also submitted data reflecting its financial condition. For the years 1971 through 1974, Blue Lines experienced a \$3,000 loss,

a \$9,000 loss, a \$19,500 loss, and a \$25,000 profit. For the twelve months ended April 30, 1975, Blue Lines generated \$584,081 sales revenue and incurred \$527,491 in expenses. The result was net income before taxes \$56,590. In addition, Blue Lines had assets totalling \$368,826, including depreciated fixed assets \$46,352 and \$219,708 owing from an officer of the company. Blue Lines had liabilities totalling \$368,826, including notes payable \$111,972 and common stock and retained earnings \$106,588. Blue Lines' financial condition is marginal.

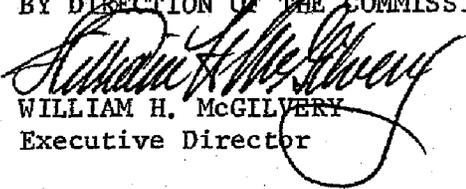
Blue Lines seeks to abandon the Montgomery Village regular route operation because the cash flow generated by the operation is insufficient. The commuter operations involve approximately 10 percent of its entire operation. The primary revenue source is sightseeing services. The flow of revenues from the Montgomery Village regular route operation is not sufficient compensation for the expenses incurred. As a result, Blue Lines has been unable to maintain or replace the vehicles used in the service and cannot provide the quality of service required.

The Commission finds that Blue Lines abandonment of the Montgomery Village regular route operation would be consistent with the public interest. However, as indicated in Order No. 1505, the effective date of the abandonment includes consideration of service being provided by another carrier. The Commission has received four applications to provide the Montgomery Village regular route service. These applications currently are pending before the Commission. Accordingly, the Commission shall grant the application to abandon filed by Blue Lines but shall delay its effective date until May 15, 1976, unless otherwise ordered by the Commission.

THEREFORE, IT IS ORDERED:

1. That Application No. 913 of Blue Lines, Inc., to abandon Montgomery Village regular route operation be, and it is hereby, granted.
2. That Blue Lines, Inc.'s abandonment of that portion of its Certificate of Public Convenience and Necessity No. 10, set forth in the attached Appendix A, be, and it is hereby, effective May 15, 1976, unless otherwise ordered by the Commission.
3. That Blue Lines, Inc.'s Certificate of Public Convenience and Necessity No. 10 be, and it is hereby, revised and reissued as set forth in the attached Appendix B, effective May 15, 1976, unless otherwise ordered by the Commission.

BY DIRECTION OF THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director

APPENDIX AREGULAR ROUTES:

Passengers and their baggage, and express and newspapers, in the same vehicle with passengers.

Between points in Washington, D. C., and Montgomery County, Maryland, restricted to the boarding and alighting of passengers along Maryland Route 124, Quince Orchard Road, Montgomery Village Avenue, and within the community of Montgomery Village, Maryland, further restricted to discharge only at the National Institutes of Health in Bethesda, Maryland, and points in Washington, D. C., southbound; and boarding only from points in Washington, D. C., and the National Institutes of Health in Bethesda, Maryland, northbound.

From Washington, D. C., over city streets to the Maryland-D. C. Line, thence over Wisconsin Avenue (U. S. Highway 240) to junction Interstate Highway 70S to junction Montgomery Village Road, thence over Montgomery Village Road to junction Centerway Road, thence over Centerway Road to Montgomery Village Shopping Center roadways, thence over Montgomery Village Shopping Center roadways, to junction Stedwick Road, thence over Stedwick Road to junction Montgomery Village Road to junction Maryland Highway 355; thence over Quince Orchard Road to junction Maryland Highway 124 to junction Maryland Highway 28, and return over the same route.

APPENDIX B

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

NO. 10

BLUE LINES, INC.
WASHINGTON, D. C.

By Order No. 1532 of the Washington Metropolitan Area Transit Commission served April 5, 1976;

AFTER DUE INVESTIGATION, it appearing that the above named carrier has complied with all applicable provisions of the Washington Metropolitan Area Transit Regulation Compact, and the requirements, rules and regulations prescribed thereunder and therefore is entitled to receive authority from this Commission to engage in the transportation of passengers within the Washington Metropolitan Area Transit District, as a carrier; and the Commission so finding:

THEREFORE, IT IS ORDERED, that the said carrier be, and it is hereby, granted this certificate of public convenience and necessity as evidence of the authority of the holder to engage in transportation as a carrier by motor vehicle; subject, however, to such terms, conditions and limitations as are now, or may hereafter, be attached to the exercise of the privilege herein granted to the said carrier.

IT IS FURTHER ORDERED that the transportation service to be performed by the said carrier shall be as specified below:

IRREGULAR ROUTES:

(A) CHARTER OPERATIONS:

From points within the District of Columbia to points within the District of Columbia.

(B) SPECIAL OPERATIONS:

Sightseeing or pleasure tours;

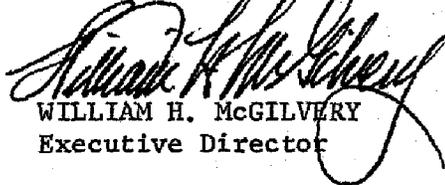
(1) From points within the District of Columbia to points within the District of Columbia.

(2) From points within the District of Columbia to the City of Alexandria, Arlington County, and Mount Vernon, Fairfax County, Virginia, and return.

(3) From points within the City of Alexandria and Arlington County, Virginia, to the District of Columbia and return.

AND IT IS FURTHER ORDERED and made a condition of this certificate that the holder thereof shall render reasonable, continuous and adequate service to the public in pursuance of the authority granted herein, and that failure so to do shall constitute sufficient grounds for suspension, change or revocation of this certificate.

BY DIRECTION OF THE COMMISSION:



WILLIAM H. MCGILVERY
Executive Director